# GOVERNMENT OF INDIA
# POWER
# LOK SABHA

UNSTARRED QUESTION NO:1768
ANSWERED ON:08.03.2001
POWER PURCHASE AGREEMENT WITH ENRON
DR. KIRIT SOMAIYA

**Will the Minister of POWER be pleased to state:**

(a) whether attention of the Government has been drawn to the news-item captioned `Enron willing to amend power purchase agreement` appearing in the Hindustan Times dated February 9, 2001;

(b) if so, whether there is any move for amending the power purchase agreement;

(c) if so, the details thereof;

(d) whether Enron has taken up this matter with the Union Government;

(e) if so, the main amendments suggested by Enron and agreed to by the Union Government; and

(f) the time by which these amendments are likely to be implemented?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRIMATI JAYAWANTI MEHTA )

(a) : Yes, Sir.

(b) & (c) : No such proposal for amending the Power Purchase Agreement (PPA) hasbeen received from the Government of Maharashtra (GOM) though, considering the hightariff of power supplied by Dabhol Power Company (DPC), the GOM has proposed to the Central Government to take over the entire Dabhol project either directly or through its public sector undertakings so that the power generated by the DPC isdistributed to different States in the country including Maharashtra State, thereby meetingthe need of those States which are facing shortage of power. GOM, vide their resolutiondated 9.2.2001, have also constituted an Energy Review Committee under the Chairmanship of Dr. Madhav Godbole, Ex-Home Secretary, Government of India (GoI)The terms of reference of the Committee are as follows :-

(i) To review the position of overall demand and supply of electric power in the State, with special reference to the supply of power by projects of independent power producers and purchase thereof by the MSEB for which Power PurchaseAgreements (PPA) have either been signed or are proposed.

(ii) To examine the cost of power supplied by the DPC and the distribution of powerlosses and its implications on the finances/tariff of MSEB.

(iii) To review and reconsider the provisions of the PPA signed with the DPC afterholding discussions with the said Company, the MSEB and related authorities and to suggest appropriate measures to facilitate purchase of the power produced by the DPC by other agencies/parties (including Government of India or their agencies).

(iv) To suggest the broad future course of action for reforms in the energy sector in the State.

(v) Any other matter which the State Government may consider necessary to refer to the Committee in the above-mentioned context. The report of the Committee will be submitted to the Government of Maharashtra.

(d) : DPC have conveyed their support for any steps by MSEB, GOM or GOI fotransferring the power supplied by them to Central Government utilities.

(e) & (f) : No amendments as such to the PPA have been suggested by Enron to the Union Government.